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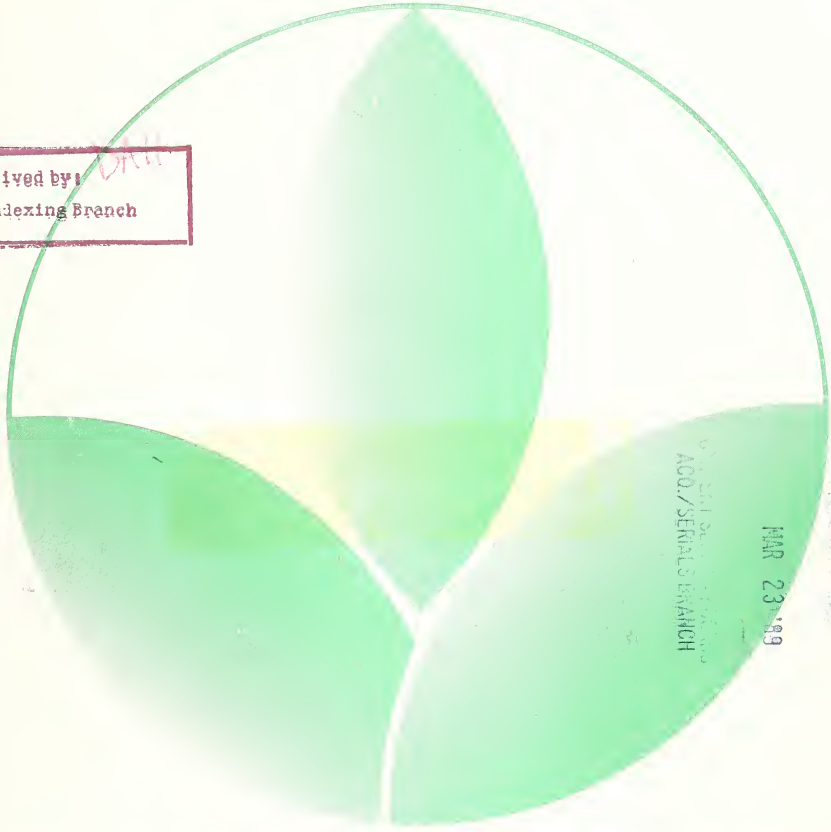
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1989 OUTLOOK FOR FRUIT AND TREE NUTS

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The fruit industry expects substantially smaller supplies of noncitrus fruit this year. Early spring frost, high temperature, drought conditions, hailstorms, and tree stress from last year's bumper crop all contributed to a smaller crop for many noncitrus fruits. However, increased production of apples, pears, and tart cherries can be expected in the years ahead as more trees will reach their full bearing potential and if good weather prevails. In contrast, this season's citrus crop is projected to be moderately larger than last season as the crop in Florida and Texas continues its recovery from the early-1980's freezes. Since some of the freeze damaged trees have been gradually replanted, the downward trend for citrus acreage has ended. According to Florida's 1988 Biennial Commercial Citrus Survey, a significant gain in citrus acreage is reported from 1986 (the first acreage inventory survey after the freeze) to 1988. The 1987 Texas Citrus Acreage Survey also reported acreage increases since the 1983 freeze. Therefore, Florida and Texas stand to significantly increase production in the future. Tree nut supplies this season will be relatively large even with smaller almond, filbert, and walnut crops.

Demand for fruit and tree nuts has been strong, particularly for export markets during the last season. Despite increased competition in the world market, the weak dollar and the increased promotional activities with the Targeted Export Assistance (TEA) program have boosted exports. This situation is expected to continue as the dollar is still weak and the promotional activities continue. Domestic demand is likely to remain strong from the healthy economy. Strong demand and reduced supplies are expected to strengthen noncitrus prices to levels above a year ago, but increased citrus supplies are likely to weaken citrus prices to levels below last season's high. Overall, fruit prices are likely to average slightly to moderately above last year.

GENERAL FRUIT PRICE OUTLOOK

Reversing the price rises of the last 2 months, the October index of grower prices for fresh and processing fruit fell fractionally from September and was 5 percent below a year ago. Prices are expected to decline further this fall and early winter when supplies increase seasonally. Larger citrus supplies are likely to keep this winter's citrus prices below a year earlier. However, with noncitrus supplies below year-earlier levels and stable demand from the healthy economy, noncitrus prices should be above last year's low.

Table 1.--Index of quarterly prices received by growers for fresh and processing fruit, 1985-88

Year	1st	2nd	3rd	4th	Annual average
1977=100					
1985	180	178	182	180	180
1986	154	161	190	176	170
1987	163	180	185	200	182
1988	166	178	176	1/185	

1/ October's figure only.

SOURCE: Agricultural Prices, NASS, USDA.

Retail prices of fresh fruit continued to rise in September, primarily because of higher orange prices. The BLS Consumer Price Index (CPI) for fresh fruit stood at 153.3 (1982-84=100) in September, 2.1 percent above August and 16.4 percent above a year ago. Over the first 9 months, retail prices of fresh fruit have averaged 6.8 percent above last year. With seasonal increases in supplies of citrus, apples, and pears, the CPI for fresh fruit is likely to drop this fall, but should remain above a year earlier.

Table 2.--Quarterly Consumer Price Index for fresh fruit, 1985-88

Year	1st	2nd	3rd	4th	Annual average
1982-84=100					
1985	114	121	119	110	116
1986	113	121	124	117	119
1987	129	138	133	129	132
1988	132	143	150		

SOURCE: Bureau of Labor Statistics.

Retail prices of processed fruit have averaged 9.9 percent above a year ago during the first 9 months of this year. The CPI for processed fruit advanced to 123.8 (1982-84=100) in September, up 0.3 percent from August and 10.4 percent from a year ago. With canners' recent price hikes, retail prices of processed fruit are expected to rise. Rising demand will also keep dried fruit prices high, while frozen concentrated orange juice (FCOJ) prices are likely to fall somewhat in view of expanded Florida production and sluggish movement.

Table 3.--Quarterly Consumer Price Index for processed fruit, 1985-88

Year	1st	2nd	3rd	4th	Annual average
1982-84=100					
1985	108	109	110	109	109
1986	108	106	105	106	106
1987	108	111	112	112	111
1988	118	122	123		

SOURCE: Bureau of Labor Statistics.

FRESH CITRUS

The 1988/89 U.S. citrus crop forecast (excluding grapefruit in California's "other areas") is 13.5 million short tons, up 8 percent from 1987/88 and 15 percent from 1986/87. Although the crop continues its recovery from the early-1980's freezes in Florida and Texas, it is still well below the record 16.5 million short tons of 1979/80. Larger crops were forecast for all citrus except tangelos. Even with expected stable domestic demand and strong export markets, citrus prices are likely to fall below last year's high.

Table 4.-- U.S. citrus production, 1979/80, 1987/88, and 1988/89

Crop	1979/80	1987/88	1988/89	Change from	
				1979/80	1987/88
	1,000 short tons			Percent	
Orange	11,832	8,457	9,288	-22	10
Grapefruit 1/	2,875	2,623	2,769	-4	6
Lemons	789	785	863	9	10
Temples	270	160	171	-37	7
Tangelos	288	189	176	-39	-7
Tangerines	408	212	217	-47	2
Total	16,462	12,426	13,484	-18	8

1/ Excludes California grapefruit in "other areas".

SOURCE: Crop Production, NASS, USDA.

Oranges

Substantially Larger Crop
And Lower Prices Expected

The 1988/89 orange crop forecast is 217 million boxes, 10 percent more than last year and 20 percent above 1986/87. This would be the largest crop in the

last 5 years, but still 22 percent below the 1979/80 crop. California's 1988/89 all-orange forecast, at 61 million boxes, is 8 percent greater than last year and 5 percent above 1986/87. The Arizona all-orange crop is estimated at 2.4 million boxes, 33 percent more than last year, but 11 percent below the 1986/87 crop. The Texas all-orange crop is expected to total 1.65 million boxes, compared with 1.43 million last year and .88 million in 1986/87.

On-tree returns for U.S. oranges in October averaged sharply below a year ago, primarily reflecting greater supplies of California valencias. With more valencia supplies remaining from 1987/88 and seasonally increased 1988/89 supplies, fresh orange prices are likely to remain weak this fall and winter. In addition, f.o.b. prices for FCOJ are likely to fall, so Florida orange prices for processing use may fall below a year ago. However, reduced supplies of apples and winter pears may moderate declines for fresh oranges.

Exports Down Significantly

Exports of U.S. fresh oranges through August of the 1987/88 marketing year (November-October) totaled 303,712 metric tons (including Canada), down 16 percent from a year earlier, as reduced shipments were reported to all major destinations. Higher prices have weakened foreign demand. In addition, limited supplies of large fruit from this year's California valencia crop reportedly hindered exports. Prospects for U.S. orange exports will be favorable in 1988/89 because of anticipated lower prices, increased supplies, the weak dollar, and continued promotional activities.

Grapefruit

Moderately Larger Crop Likely To Weaken Prices

The 1988/89 U.S. grapefruit crop, excluding California's "other areas," is forecast at 667 million boxes, 5 percent above the previous season and 15 percent more than 1986/87. Florida's forecast is a record 57 million boxes, up 6 percent from the previous season and 4 percent above the previous record in 1979/80. The California desert grapefruit forecast is 3.9 million boxes, down 7 percent from last season. Arizona's forecast, at 1.3 million boxes, is down 13 percent from last season. Texas continues to recover from the December 1983 freeze through replantings, with the 1988/89 crop forecast at 4.5 million boxes, compared with 3.8 million last season.

Opening prices for fresh grapefruit were lower than a year ago and are expected to fall further with increased shipments. The f.o.b. price for Florida pink grapefruit was quoted at \$6.39 per carton in Indian River in late October, compared with \$7.65 a year ago. Domestic demand for fresh grapefruit is likely to be stable in 1988/89 because of the healthy economy. Movement of processed grapefruit products has been sluggish because of higher prices, so processor demand does not look favorable. Export markets are expected to stay strong, given the weak dollar and increased promotional activities. Nevertheless, the moderately larger crop is expected to push grapefruit prices below a year ago.

Lemons

Significantly Larger Production

The 1988/89 Arizona-California lemon crop (tree crop available for harvest) totals 22.7 million boxes, 10 percent above last year, but 21 percent below 1986/87. California expects a crop of 18.5 million boxes, 9 percent more than last year. Arizona's crop is forecast at 4.2 million boxes, 15 percent more than 1987/88.

Despite the larger crop, movement through late October was behind last season's pace. The decrease was attributable to reduced shipments to processors; deliveries to the fresh market rose 3 percent. Export shipments were up substantially from last season. Early-season f.o.b. prices were significantly higher than a year earlier, but increased shipments have weakened prices substantially. In late October, the f.o.b. price for fresh lemons was quoted at \$10.69 per carton, compared with \$12.23 a year ago. Larger supplies will push the season-average price down.

PROCESSED CITRUS

Because of the record juice yield and the larger Florida orange crop, Florida's 1987/88 production of FCOJ totaled 170 million gallons, up 18 percent from the previous season. Processors recovered 1.55 gallons of FCOJ per box at 42 degrees Brix, compared with 1.51 in 1986/87. The larger pack and carryin stocks have weakened imports into Florida and the United States as a whole to levels well below a year ago. According to the Florida Citrus Processors Association, imports into the State (mostly from Brazil) totaled 47.4 million gallons (42 degrees Brix) through late October, down 27 percent from a year earlier. However, the 1987/88 Florida supply of FCOJ is expected to be somewhat above last season's 265 million gallons.

Movement of Florida FCOJ has been running ahead of last year's pace, due mostly to increased bulk movement. Some bulk FCOJ is reprocessed into chilled orange juice (COJ) because of strong consumer demand. Higher prices and increased competition from COJ have weakened demand for consumer-size FCOJ packages. Through late October, total movement of Florida FCOJ was 206 million gallons (excluding products delivered in fulfillment of future contracts), up slightly from a year ago. Following market promotions this summer, f.o.b. prices have been steady at \$5.28 a dozen 6-ounce cans, Florida canneries. This compares with \$4.76 a year earlier. However, in the wake of the unexpectedly larger orange crop estimate, Florida packers have offered discounted prices for retail-package FCOJ, unadvertised brand. FCOJ export demand is likely to benefit from the increase in the Japanese import quota to 15,000 metric tons in 1988/89 Japanese fiscal year (JFY) from 8,500 metric tons in 1987/88 negotiated under the U.S.-Japan Trade Agreement.

The higher Florida prices are mostly attributed to price hikes by Brazil during the 1987/88 season. Brazil raised FCOJ prices from \$1,995 to \$2,020 per metric ton (f.o.b. Santos) on August 26. The increase was mostly due to tight juice stocks at the end of the 1987/88 season (July-June), and low juice ratios and slower-than-normal crush at the beginning of 1988/89. Brazil lowered its FCOJ price to \$1,845 per metric ton on October 12, but raised it to \$1,895 in late October. This compares with \$1,300 a year earlier.

FCOJ stocks as of October 29 were moderately above a year ago. Nevertheless, it appears that carryover stocks could be slightly to moderately below the 40 million gallons of last season. With the prospect of increased FCOJ pack during 1988/89 and sluggish movement, consumer-packed FCOJ prices may fall some more during the winter, barring a freeze.

The larger Florida orange crop and relatively high juice yield will result in increased output of FCOJ, near 183 million gallons in 1988/89. The 1988/89 juice yield is forecast at 1.52 gallons a box at 42.0 degrees Brix. But, even with the increased pack and relatively large carryin, the 1988/89 domestic FCOJ supply will not be adequate to meet domestic demand. Consequently, imports (mostly from Brazil) will remain relatively large, but likely below 1987/88.

FRESH NONCITRUS

The 1988 noncitrus crop--including major tree fruits, grapes, and cranberries--is forecast at 13.5 million short tons, down 9 percent from 1987, but still 7 percent above 1986. The adverse weather and tree stress from last year's bumper crop all contributed to a smaller crop for many fruits this year. Most of the decline was the result of sharp dropoffs in the apple and pear crops from last year's record production. Smaller crops were also recorded for apricots, cherries, and prunes and plums. Larger crops of peaches, nectarines, grapes, and cranberries only partially offset the decline. Prices are likely to be higher than a year earlier.

Table 5.--U.S. Production of Selected Noncitrus Fruit, 1986, 1987, and indicated 1988

Crop	1986	1987	1988	Change from	
				1986	1987
	1,000 short tons			Percent	
Apples	3,967	5,271	4,067	3	-23
Apricots	55	115	101	84	-12
Cherries	250	390	272	9	-30
Grapes	5,226	5,265	5,457	4	4
Nectarines	172	191	195	13	2
Peaches	1,164	1,214	1,264	9	4
Pears	766	940	798	4	-15
Prunes/Plums	491	978	812	62	-19
Strawberries	510	534	562	10	5
Total	12,601	14,897	13,528	7	-9

SOURCES: Noncitrus Fruit and Nut and Crop Production, NASS, USDA.

Apples

Sharply Smaller Crop And
Higher Prices Expected

The final forecast for the 1988 U.S. apple crop, 8.13 billion pounds, is down 23 percent from last year's record. Tree stress, winter freeze,

hailstorms, and drought all reduced production. However, production could reach another record in the next several years if good weather prevails. Also, more trees will reach their full bearing potential in several major apple-producing States.

The Eastern States expect a crop of 2.87 billion pounds, 3 percent below a year earlier. New York, the leading producer in the East, expects to harvest 5 percent fewer apples. The apple forecast in the Central States, at 1.11 billion pounds, is 30 percent less than last year. A sharp dropoff in Michigan contributed to most of the decrease. Production in the Western States is forecast at 4.15 billion pounds, unchanged from the August 1 forecast, but still 30 percent below 1987. Reduced production is indicated for all States in the region except New Mexico, where output remains unchanged from last year. Washington, the Nation's leading apple State, expects to harvest 3.2 billion pounds, off 33 percent from last year's record crop, but still 1 percent above 1986. Tree stress probably contributed to the decline.

Because of the smaller crop, shipments of fresh apples are running well behind last year's pace. Through late October, reduced shipments were reported for most major apple-producing States. Shipments from Washington declined 20 percent from a year ago. As a result, prices are strong. In late October, the f.o.b. price for Red Delicious apples in Yakima Valley-Wenatchee, Washington, was mostly \$13.30 a tray pack, size 80-113, U.S. Extra Fancy, compared with \$7.50 a year earlier. Supplies of apples for the fresh market, particularly Red Delicious, will be well below a year ago, and prices substantially higher. However, the larger California navel orange crop may moderate fresh apple price increases somewhat. Apple prices for processing use have been negotiated substantially above a year ago even though processor demand is not favorable.

The trade picture for fresh apples improved significantly in 1987/88, with exports up 74 percent from the preceding season. This reflects increased supplies, lower prices, the weak dollar, and continued marketing promotion and development. The outlook for this year is not as bright as last year, because of smaller supplies and higher prices. Larger crops and trade regulations abroad will also cut U.S. apple exports.

Grapes

Larger Crop Forecast

The 1988 U.S. grape crop is forecast at 5.46 million short tons, 4 percent above last year's production and 2 percent above the 1983-87 average. The increase is due to expanded production in California. California's grape production is 4.95 million short tons, 6 percent above last year. Reflecting reduced production in Washington, New York, Pennsylvania, and Michigan, grape production in States other than California is estimated at 506,500 short tons, down 16 percent from 1987, but still up 11 percent from 1986. Washington, the second largest grape producer in the United States, expects a crop of 185,000 short tons, off 26 percent from 1987.

The later harvest has resulted in reduced shipments of table grapes, totaling 1.04 billion pounds through late October, off fractionally from a year ago. Despite reduced supplies, table grape prices have been weak. In late October, the f.o.b. price for Ribier was quoted at \$8.10 a 23-pound lug in the

central San Joaquin Valley, compared with \$8.50 a year earlier. Fresh-market supplies will be up this season because of the larger crop. The use of table grapes for the fresh market is expected to rise because of strong domestic demand. Table grape exports are expected to continue to grow as promotional activities are expanded. During the first 3 months of 1988/89, exports of table grapes were 34,025 metric tons, up 19 percent from a year earlier.

Because of the larger wine grape crop, use of California grapes for crushing has exceeded last year's. However, wine supplies in California probably will not increase appreciably because of lower stocks. Demand for domestic wine has weakened somewhat. According to the Wine Institute, California wine shipments through July 1988 were down slightly from a year ago. The decrease was attributed in part to sluggish wine cooler sales. Imports of table wine through August fell 10 percent, with smaller purchases from all major producing countries. The weak dollar has resulted in higher prices for imported wine, and weak sales. Imports are likely to remain sluggish. Relatively strong demand for domestic wine and higher prices for imported wine have held wine prices above a year ago. The BLS Consumer Price Index for all wine during the first 9 months of this year averaged 2 percent above a year earlier.

Pears

Sharply Smaller Crop

The final forecast for the 1988 U.S. pear crop is 798,100 short tons, down 15 percent from last year's record, but 4 percent more than 1986. The bartlett crop in California, Oregon, and Washington is forecast at 485,000 short tons, down 16 percent from last year, but 4 percent more than 1986. Output of Pacific Coast pears other than bartletts is forecast at 276,000 short tons, 16 percent less than 1987, but almost 6 percent above 1986. Reduced production is reported from all three States, but acreage has increased.

Because of the smaller crop, shipments of pears are running well behind last year's pace. Consequently, f.o.b. prices for Washington bartletts have been substantially above year-earlier levels. In late October, the f.o.b. price was quoted at \$16.90 a 36-pound carton for sizes 90-135 in Washington, compared with \$10.50 a year ago. Because of the smaller crop and strong processing demand, California pear growers have settled with processors for a field price of \$200 a short ton for canning bartletts, up \$20 from 1987. This is the second highest price established in the last 35 years. Reflecting the smaller crop, opening f.o.b. prices for winter pears at shipping points in early October were also well above a year ago. The f.o.b. price for D'Anjous in Yakima Valley, Washington was quoted at \$14-\$15 a carton (size 100) in late October, compared with \$11 a year earlier. The smaller crop and reduced supplies of apples will keep f.o.b. prices for winter pears above year-earlier levels.

PROCESSED NONCITRUS

Decreased crops of apples, bartlett pears, apricots, cherries, and prunes and plums are expected to result in less canning than last year. However, the larger clingstone peach crop resulted in a greater pack of canned peaches and fruit cocktail. A total of 14.8 million cases (No. 24/2-1/2's) of canned clingstone peaches was packed, up 17 percent from last year, while a 4-percent increase in canned fruit cocktail is reported. On the other hand, a trade

source indicates that the pack of canned mixed fruit totaled 2.4 million cases (No. 24/2-1/2's), down 7 percent from last year. Supplies of canned fruit will be tight again during 1988/89 because of depleted carryin stocks. As a result, prices should stay high. Packers have already announced price hikes for several canned fruit items. The September Producer Price Index advanced to a record 114.8 (1982-84=100), up fractionally from August and up 1 percent from a year earlier.

The smaller apple crop will reduce the canned apple product pack. Although data for canned apple product stocks are not available, the industry says that inventories are relatively large. The actual reported inventories vary considerably by products and regions--more so than in previous years. Sauce inventories, compared to last year and to normal, are reported to be up slightly in the East, unchanged in the Central States, and up sharply in the West. Canned slice inventories are down slightly. Juice is down slightly in the East, unchanged in the Central regions, and up again in the West.

The industry also foresees a substantial reduction in raw apple usage for processing from this year's crop, compared to 1987. The major change will be for juice, which is expected to be down from last year. Even with reduced pack, the relatively larger carryin stocks will keep supplies adequate to meet market demand. However, the higher prices for processing apples are likely to raise canned apple product prices.

Output of raisins is about the same as last season. At present, trade estimates place total raisin output at 360,000 short tons, compared with 1987's 358,000 short tons. Thus, with larger carryin stocks, the 1988/89 supply will still be relatively large. However, strong demand and higher field prices are likely to keep raisin prices firm. The BLS July Producer Price Index for raisins (the latest available), stood at 88.2 (1982-84=100), 5 percent above a year earlier.

The 1988 pack of frozen fruit and berries is expected to be below 1987. Large stocks of frozen strawberries at the beginning of the season have slowed deliveries to freezers in California. Reduced demand has also caused slow deliveries of processing strawberries. Imports of frozen strawberries, mostly from Mexico, have been well below year-earlier levels during 1987/88 (December-August). Deliveries to freezers in Oregon and Washington were also down substantially. Even with a smaller pack, supplies of frozen strawberries should be adequate during 1988/89 because of larger carryin stocks. Prices are not expected to rise appreciably, because raw berry prices are generally lower than last season. With a much smaller crop, 100.6 million pounds of tart cherries have been used for freezing through August 1, compared with 124.7 million a year ago. However, larger carryin stocks will ensure adequate supplies of frozen cherries. The smaller apple crop is also expected to result in decreased deliveries to freezers.

As of October 1, cold storage holdings of frozen fruit and berries totaled 983 million pounds, up 10 percent from a year ago. Relatively large stocks were indicated for most fruit and berries, with peaches recording the largest increase, up 64 percent from last year. Demand and prices for frozen fruit and berries will likely stay stable, given the healthy economy.

TREE NUTS

U.S. supplies of most tree nuts will be large this season. Larger crops are estimated for pecans and pistachios, while smaller crops are expected for almonds, filberts, and walnuts. Export demand looks favorable because of large supplies, the weak dollar, and the increased promotional activities. Domestic demand is expected to be stable from the healthy economy.

Almonds

The 1988 California almond crop was forecast at 580 million pounds (shelled basis), 12 percent below last year's record 660 million pounds. Some trade sources indicate the crop is lower than forecast, and major suppliers have recently withdrawn from the market, waiting for harvest to be near completion and supplies to be more definite.

Export demand is expected to continue strong and may break previous records, as almonds are favorably priced at current exchange rates. Domestic demand is also expected to continue strong, and per capita consumption of almonds in the United States may reach a new record. Grower prices are expected to average above \$1.00 per pound this season, compared with 95 cents for the 1987/88 marketing year.

Filberts

Oregon and Washington filbert (hazelnut) growers are expecting to harvest 18,000 short tons this year, compared with 21,800 in 1987. Filbert production and grower prices appear to be rebounding in the 1980's. Opening prices showed shelled extra large filberts at \$1.83 per pound, f.o.b. West Coast, while the in-shell large size opened at 73 cents per pound. Major sellers have withdrawn from the market, and reportedly the crop is virtually sold out.

World production of filberts is forecast at 541,330 metric tons, 29 percent more than last year. Although the U.S. crop is lower this year, a bumper crop of 360,000 metric tons is expected in Turkey, up 29 percent from 1987. A heavy crop is also forecast in Italy, where production is expected to reach 140,000 tons, 56 percent higher than 1987. Filbert imports into the United States, January 1 through August 1 this year, totaled 2.82 million pounds, or 12 percent below the same period in 1987. Most imported filberts are from Turkey, the world's largest supplier.

Pecans

The October 1 forecast for the pecan crop in the 11 estimating States has increased to 284 million pounds, (in-shell basis), 8 percent higher than 1987 production and 4 percent above 1986. Trade sources indicate total pecan supply similar to a year ago. New crop pricing is expected soon and should be well established before the Thanksgiving holiday. Old-crop prices have been quoted at \$1.90-2.00 per pound and fancy halves at \$2.35-2.40 per pound, f.o.b. Southeast.

Pistachios

The forecast for California's 1988 pistachio production was 95 million pounds (in-shell basis). However, based on harvest data the California Pistachio Commission has recently revised the original estimate to 85 million pounds. This is the largest crop ever and significantly above last year's small crop of only 33 million pounds. Pistachio production is cyclical due to the alternate bearing characteristics of pistachio trees. Major suppliers withdrew from the market following opening prices in mid-September. Recently some suppliers have quoted prices 15 cents per pound over opening levels, which brings roasted and salted extra large pistachios to \$2.50, large to \$2.40, and medium to \$2.15 per pound, f.o.b. West Coast.

Trade sources project that total supply of snack type pistachios may total about 78 million pounds. Total sales last season were 50 million pounds, and projected sales for the 1988/89 season should be higher. In-shell imports of pistachios totaled 1.9 million pounds from January 1 through August 1, up 51 percent from the same period in 1987. Most U.S. imports of pistachios are from Turkey, but are very small compared with past years when pistachios were imported from Iran. California production is expanding rapidly to meet domestic demand and the ban on imports from the world's largest supplier, Iran.

Walnuts

California's 1988 walnut production was forecast at 200,000 short tons, in-shell basis, 19 percent lower than last year's record, but 11 percent above 1986. The crop has been adversely affected by the hot, dry summer, which resulted in shriveling of kernels and drying problems. Both domestic and export shipments of in-shell and shelled walnuts were strong during the 1987/88 marketing season. Total in-shell shipments in 1987/88 were nearly 143 million pounds, compared with 132 million in 1986/87. Shelled walnut shipments totaled over 126 million pounds in the 1987/88 season, compared with 106 million in 1986/87. Total stocks on hand at the beginning of the 1988/89 marketing season beginning August 1, converted to kernel weight basis, were 60.3 million pounds, compared with 28.4 million in 1987 and 52.5 million in 1986. With a large carryover and normal production, supplies should be ample to meet domestic and export needs. Prices are expected to remain firm.